



Canyon Fuel Company, LLC
Soldier Canyon Mine
P.O. Box 1029
Wellington, Utah 84542
(435) 637-6360 Fax: (435) 637-0108

OK

March 27, 2002

Ms. Pamela Grubaugh-Littig
Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple
Suite 1210
Salt Lake City, UT 84114-5801

Grubaugh-Littig
C/007/039

RE: Reclamation Bond, Canyon Fuel Company, LLC, Dugout Mine, C/007/039

Dear Ms. Grubaugh-Littig:

Enclosed please find five copies of the submittal to address revisions to the reclamation bond for the Dugout Canyon Mine. These calculations are being submitted for review to address the potential reduction of the mine's bond liability. Steve Demczak and Wayne Western of the Division have requested that the calculations be revised to address the actual costs associated with the reclamation of the mine facilities. Redline/Strikeout and clean copies of page 8-1 and the cover for Appendix 5-6 have also been included with this submittal. An additional copy of the submittal has been delivered to the Price Field Office.

Please contact Vicky Miller at (435) 636-2869 or Chris Hansen at (435) 448-2669 if there are any question concerning this submittal.

Sincerely yours,

Vicky S. Miller

Vicky S. Miller

Cc: Chris Hansen (letter)
Dave Spillman (enclosures)
Steve Demczak (enclosures)

APPLICATION FOR PERMIT PROCESSING

| | | | | | | |
|---|-------------------------------------|----------------------------------|-----------------------------------|--------------------------------------|---------------------------------------|---------------------------------|
| Permit Change <input checked="" type="checkbox"/> | New Permit <input type="checkbox"/> | Renewal <input type="checkbox"/> | Transfer <input type="checkbox"/> | Exploration <input type="checkbox"/> | Bond Release <input type="checkbox"/> | Permit Number: ACT/007/039 |
| Title of Proposal: Reclamation Bond Revision, Canyon Fuel Company, LLC, Dugout Mine | | | | | | Mine: DUGOUT CANYON |
| | | | | | | Permittee: CANYON FUEL CO., LLC |

Description, include reason for application and timing required to implement:

Instructions: If you answer yes to any of the first 8 questions (gray), submit the application to the Salt Lake Office. Otherwise, you may submit it to your reclamation specialist.

| | | |
|---|--|---|
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 1. Change in the size of the Permit Area? _____ acres Disturbed Area? _____ acres x increase <input type="checkbox"/> decrease. |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 2. Is the application submitted as a result of a Division Order? DO # _____ |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 3. Does application include operations outside a previously identified Cumulative Hydrologic Impact Area? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 4. Does application include operations in hydrologic basins other than as currently approved? |
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | 5. Does application result from cancellation, reduction or increase of insurance or reclamation bond? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 6. Does the application require or include public notice/publication? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 7. Does the application require or include ownership, control, right-of-entry, or compliance information? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 9. Is the application submitted as a result of a Violation? NOV # _____ |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 10. Is the application submitted as a result of other laws or regulations or policies? Explain: _____ |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 11. Does the application affect the surface landowner or change the post mining land use? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P??) |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 13. Does the application require or include collection and reporting of any baseline information? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 15. Does application require or include soil removal, storage or placement? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 16. Does the application require or include vegetation monitoring, removal or revegetation activities? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 17. Does the application require or include construction, modification, or removal of surface facilities? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 18. Does the application require or include water monitoring, sediment or drainage control measures? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 19. Does the application require or include certified designs, maps, or calculations? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 20. Does the application require or include subsidence control or monitoring? |
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | 21. Have reclamation costs for bonding been provided for? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 22. Does application involve a perennial stream, a stream buffer zone or discharges to a stream? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 23. Does the application affect permits issued by other agencies or permits issued to other entities? |

X Attach 5 complete copies of the application and 1 copy will be sent to the Price Field Office

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein. (R645-301-123)

David A. Spillman, Engineering Manager
 Signed - Name - Position - Date 3/27/02

Subscribed and sworn to before me this 27 day of March, 2002.

Dionne M. Oman
 Notary Public

My Commission Expires: 12-15-02
 Annot: STATE OF Utah
 COUNTY OF Carbon



DIONNE M. OMAN
 NOTARY PUBLIC • STATE OF UTAH
 891 NORTH 300 EAST
 PRICE, UTAH 84501
 COMM. EXP. 12-15-2002

Received by Oil, Gas & Mining

ASSIGNED TRACKING NUMBER

Application for Permit Processing

Detailed Schedule of Changes to the MRP

Title of Application: Reclamation Bond Revision, Canyon Fuel Company, LLC,

Permit Number: ACT/007/039

Dugout Mine

Mine: DUGOUT CANYON

Permittee: CANYON FUEL CO., LLC

Provide a detailed listing of all changes to the mining and reclamation plan which will be required as a result of this proposed permit application. Individually list all maps and drawings which are to be added, replaced, or removed from the plan. Include changes of the table of contents, section of the plan, pages, or other information as needed to specifically locate, identify and revise the existing mining and reclamation plan. **Include page, section and drawing numbers as part of the description.**

| | | | DESCRIPTION OF MAP, TEXT, OR MATERIALS TO BE CHANGED |
|------------------------------|---|---------------------------------|--|
| <input type="checkbox"/> ADD | <input checked="" type="checkbox"/> REPLACE | <input type="checkbox"/> REMOVE | Appendix 5-6, Bond Calculations |
| <input type="checkbox"/> ADD | <input checked="" type="checkbox"/> REPLACE | <input type="checkbox"/> REMOVE | Chapter 8, Page 8-1 |
| <input type="checkbox"/> ADD | <input type="checkbox"/> REPLACE | <input type="checkbox"/> REMOVE | |
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| <input type="checkbox"/> ADD | <input type="checkbox"/> REPLACE | <input type="checkbox"/> REMOVE | |

Any other specific or special instructions required for insertion of this proposal into the Mining and Reclamation Plan?

March 27, 2002